

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6727

BILL NUMBER: SB 221

DATE PREPARED: Feb 22, 2001

BILL AMENDED: Feb 19, 2001

SUBJECT: Patient Compensation Fund.

FISCAL ANALYST: Kathy Norris

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides that a health care provider may file proof of financial responsibility for purposes of qualifying to participate under the Medical Malpractice Act. (Current law provides for the filing by an insurer.) The bill allows an insurer or health care provider to file proof of financial responsibility and pay the surcharge to the Patient Compensation Fund up to 740 days after the policy effective date without demonstrating to the Commissioner of the Department of Insurance that the insurer received the premium and the surcharge in a timely manner and erred in transmitting the surcharge in a timely manner. (Current law allows for 180 days after the policy effective date to transmit the surcharge.)

Effective Date: (Amended) Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) *Patient's Compensation Fund:* The Patient's Compensation Fund exists for the purpose of paying judgements and settlements for medical malpractice that are in excess of the total liability of all liable health care providers. This bill provides that a health care provider or an insurer may submit proof of financial responsibility and pay the surcharge with accompanying penalties for up to 740 days after the policy effective date and be in compliance with the Patient Compensation Fund requirements. This provision will likely increase payments and penalty revenues into the Patient Compensation Fund by an indeterminable amount.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: